

Mineral Industry Surveys

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GOLD IN MARCH 2006

U.S. mines produced 22,400 kilograms (kg) of gold in March, a 22% increase compared with that of February, according to the U.S. Geological Survey. The daily production rate of gold in March was 722 kg, essentially equal to the 2005 annual average daily production rate of 719 kg and a 10% increase compared with the February average daily production rate of 654 kg. Domestic gold production in the first quarter of 2006 was 59,300 kg, 4% lower than that of the first quarter of 2005.

Engelhard Industries' average gold price for March was \$558.69 per troy ounce, slightly more than the average February price. The gold price reached a 25-year high of \$583.64 per troy ounce on March 31.

Barrick Gold Corporation (Toronto, Ontario, Canada) announced that it had purchased the remaining common shares of Placer Dome Inc. (Toronto) (Barrick Gold Corporation, 2006). With the added resources, Barrick expects to produce 278,000 kg of gold in 2006, roughly equal to that of the world's current leading gold producer, Newmont Mining (Denver, CO) (Abrams and Harding, 2006).

US Gold Corp. (Denver, CO) made unsolicited all-shares takeover bids for four companies that own exploration sites near US Gold's Tonkin Springs gold property on the Carlin Trend in Nevada. The bid for the four companies (all based in Vancouver, British Columbia, Canada), Coral Gold Resources Ltd., Nevada Pacific Gold Ltd., Tone Resources Ltd., and White Knight Resources Ltd., is estimated to be worth around \$257 million and is subject to a number of conditions (Mining Journal, 2006).

Coeur d'Alene Corporation (Coeur d'Alene, ID) announced that its subsidiary, Coeur Alaska, had received notification that the U.S. Army Corps of Engineers had reinstated its permits to construct the tailings disposal facilities for the Kensington underground gold mine in Alaska (Coeur d'Alene Mines Corporation, 2006).

Gold Fields (Johannesburg, South Africa) expects to produce 3,700 kg to 4,400 kg of gold in 2006 from the recently acquired Choco 10 gold mine in southern Venezuela. Along with the Choco 10 Mine, Gold Fields also acquired 15 exploration concessions in Venezuela held by Bolivar Gold (Toronto) (CRU Week in the News, 2006b^{§1}).

The Venezuelan Ministry of Basic Industry and Mining approved Crystallex International Corporation's (Toronto) feasibility study for the Las Cristinas gold mine. The mine reportedly has proven and probable reserves of 432,000 kg of gold. Crystallex awaits a final permit from the Venezuelan government to start construction (Crystallex International Corporation, 2006).

South Africa's gold production in 2005 dropped to its lowest level since 1923. Gold production in 2005 was about 296,000 kg, a 13% drop compared with gold production in 2004. The decrease was attributed to the higher cost of production; in 2005, the total cost of gold production was R89.130 per kilogram as compared with R85.200 per kilogram in 2004. The cost increase was partially attributed to the weak rand price of gold in 2005 (CRU Week in the News, 2006a[§]). While South African gold production fell, Australian gold production in 2005 grew to 263,000 kg, an increase of 3,000 kg above that of 2004. With more than a dozen new mines in Australia expecting to produce in 2006 and more mines in the exploration phase, Australia could soon become the leading gold-producing country in the world (Forster, 2006).

References Cited

Abrams, Ovid, and Harding, Adella, 2006, Barrick to produce 8.9 million oz of gold in 2006: *Platts Metals Week*, v. 77, no. 14, April 3, p. 6.

¹References that include a section mark (§) are found in the Internet References Cited section.

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Forster, Christine, 2006, Austrian gold output turns corner; could challenge S. Africa: Platts Metals Week, v. 77, no. 11, March 13, p. 10.

Mining Journal, 2006, McEwen moves to consolidate Nevada interests: Mining Journal, March 10, p. 11.

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CRU Week in the News, 2006a (March 9), Precious metals, accessed March 9, 2006, via URL <http://www.crumonitor.com>.

CRU Week in the News, 2006b (March 16), Precious metals, accessed March 16, 2006, via URL <http://www.crumonitor.com>.

TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED
STATES, BY STATE¹

(Kilograms)

	Nevada	Other States ²	Total
2005^P:			
March	20,300	3,890	24,200
April	17,000	4,120	21,100
May	16,900	3,590	20,500
June	18,500	3,650	22,100
July	18,100	3,560	21,600
August	19,700	3,910	23,600
September	19,600	3,970	23,600
October ^f	18,700	3,500	22,200
November ^f	18,100	3,700	21,800
December ^f	19,500	3,460	22,900
January-December ^f	217,000	44,600	261,000
2006:			
January	15,100	3,480	18,600
February	14,700	3,650 ^r	18,300 ^r
March	18,200	4,160	22,400
January-March	48,000	11,300	59,300

^PPreliminary. ^rRevised.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes Alaska, Arizona, California, Colorado, Idaho, Montana, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

<u>Engelhard Industries:</u>	
<u>2005:</u>	
Low/date	412.45 Feb. 8
High/date	538.06 Dec. 12
Average	446.20
<u>2006:</u>	
<u>January:</u>	
Low/date	526.29/5
High/date	570.37/31
Average	551.45
<u>February:</u>	
Low/date	540.32/16
High/date	573.77/2
Average	556.62
<u>March:</u>	
Low/date	536.56/10
High/date	585.64/30
Average	558.69
<u>Year to date:</u>	
Low/date	526.29 Jan. 5
High/date	585.64 Mar. 30
Average	555.58
<u>Handy and Harman:</u>	
<u>2005, average</u>	
	444.79
<u>2006:</u>	
January	549.27
February	555.02
March	557.09
Year to date	553.79
<u>London Final:</u>	
<u>2005, average</u>	
	444.88
<u>2006:</u>	
January	549.85
February	555.00
March	557.09
Year to date	553.98

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates ²	Doré and precipitates	Refined bullion ³	Total ⁴	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2005:							
December	28	19,500	9,890	29,400	3,660	100	1,500
Year	1,630	234,000	105,000	341,000	27,300	1,990	29,500
2006:							
January	8	12,200	14,700	26,900	3,740	48	486
February:							
Brazil	--	--	231	231	--	--	--
Canada	2	--	4,580	4,580	786 ⁵	11 ⁵	--
Chile	--	4,270 ⁵	350	4,620	--	--	--
Colombia	--	976	--	976	1,020	--	--
Costa Rica	--	3	--	3	211 ⁵	--	--
Dominican Republic	--	--	--	--	778 ⁵	--	--
Germany	--	--	--	--	--	2 ⁵	213 ⁵
Honduras	--	241	138	379	46 ⁵	1 ⁵	--
Hong Kong	--	--	141	141	--	--	--
Japan	--	--	--	--	--	3 ⁵	636 ⁵
Mexico	--	120	3,050	3,170	591 ⁵	7 ⁵	--
Nicaragua	--	148	--	148	26 ⁵	--	--
Panama	--	107	32	139	63	--	--
Peru	--	8,250	--	8,250	--	--	--
Other	3	58	176	237	96 ⁵	29 ⁵	--
Total	5	14,200	8,700	22,900	3,610	53	849
Year to date	13	26,300	23,400	49,800	7,360	101	1,340
Exports:							
2005:							
December	83	11,200	10,100	21,300	38,300	29	115,000
Year	1,380	141,000	182,000	324,000	563,000	687	1,310,000
2006:							
January	72	13,300	17,100	30,500	51,600	43	105,000
February:							
Canada	--	--	15	15	8,860 ⁵	4	13,600 ⁵
China	--	--	--	--	--	--	227 ⁵
Dominican Republic	--	--	--	17	--	--	17,500 ⁵
Germany	17	--	62	62	8,610	--	862 ⁵
Guatemala	--	--	87	87	195	--	--
Israel	--	--	--	--	--	1	3,690 ⁵
Italy	--	--	--	--	5,510	1 ⁵	--
Japan	--	--	--	--	38	4	883 ⁵
Korea, Republic of	--	--	--	--	105	1	--
Mexico	--	--	589	589	--	2 ⁵	2,790 ⁵
Panama	--	--	--	--	--	--	222 ⁵
Singapore	--	--	--	--	--	--	57,700 ⁵
Switzerland	--	8,490	581	9,070	723	--	--
United Kingdom	3 ⁵	--	14,600	14,600	11,100	12	170 ⁵
Other	54 ⁵	--	168	222	--	(6) ⁵	--
Total	75	8,490	16,100	24,600	35,100	25	97,700
Year to date	147	21,800	33,200	55,100	86,800	67	203,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Includes gold content of base metal ores, concentrates, and matte imported for refining.

³Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

⁴Waste and scrap, "Metal powder," and "Gold compounds" not included in "Total."

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

⁶Less than ½ unit.